

# **Which Of These Ten Self-Defeating Marketing Activities Do You Quit Doing In 2014?**

**Tomicide Solutions Newsletter, February 2014**

A Monthly Business Development Newsletter For Privately Held IT Companies And Independent IT Professionals

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[Blog entry](#)

**M**amoru Samuragochi, commonly known as the ‘Japanese Beethoven’, had composed several hit symphonies over the years despite being as deaf as a white cat.

Then the bubble burst on 6 February 2014, when ‘Beethoven’s’ ghost writer, Takashi Niigaki claimed at a press conference that his client wasn’t deaf at all, and had just put up the show to draw attention.

And it worked out for a while for ‘Beethoven’.

He drew more attention than Rasputin’s 13” penis at the Museum of Sex and Erotica in St. Petersburg, Russia.

As it turned out, Niigaki, a teacher at the prestigious Toho Gakuen School of Music, said that “Beethoven” wanted fame, but he couldn’t read and write music, so he needed someone, who could do the work and ‘Beethoven’ could take credit for it.

So, when the truth came to the surface and Samuragochi turned out to be a fraud with perfect hearing and perfect inability to compose, Niigaki severed their relationship.

I mention this interesting factoid because IT companies too should severe their relationships with several marketing practices that may bring them some quick buck, but in the long-run they can cause only headaches and stomach ulcers.

These practices are really like Rasputin’s manhood. It brought him some short-term pleasure, no doubt, but in the long run good ol’ Grigori concluded his eventful career with a bullet in his forehead at a tender age of 47.

Now, in order for IT companies to avoid premature economic doom, they too have to quit certain activities and replace them with better and more effective ones.

So, in this month’s newsletter, we’ll take a closer look at some activities that may be a good idea to quit doing.

And the very first activity to quit doing is...

## **Activity To Quit #1: Sending The Same Campaigns To Everyone On Your Database**

Even if you serve one single market, which is a pretty good idea, it is probably pretty segmented based on various demographical and psychographical factors. This is when Pareto’s 80/20 rule comes into the equation.

So you have to segment your market accordingly. Past clients need different stay-in-touch messages from newsletter readers who’ve never worked with you.

The problem is that marketers who are skilled and experienced enough to conduct sophisticated campaigns are pretty expensive.

And the ones that are not outstanding are competitive(ly cheap).

So, it's really a toss-up between low cost and high pay-off.

But the high payoff lies in the art part (tacit knowledge<sup>1</sup>) of marketing. Anyone can learn the science part (explicit knowledge) from books and various courses, but it takes years of application of the explicit part and several failures to learn the art part.

HR professionals often make the mistake of thinking that just because someone knows that explicit part will also know the tacit part.

But how many high-end chefs do you know who have Ph.D.s in food sciences?

But how many commercial pilots do you know who have Ph.D.s in aeronautic engineering?

Case in point...

Just look at marketing, for instance.

Nowadays big companies require all sorts of degrees even from entry level marketers.

But when you go back to the early 1900s, when marketing as a business function was established, none of the pioneers had university education.

In 1923 Claude Hopkins wrote *Scientific Advertising*, which is still the foundation of any modern marketing knowledge, although academia doesn't even recognise its existence.

Then how has marketing ended up as an academic topic?

I think when there is a preponderance of people who are keen on teaching something that they don't understand well enough to practise in real life, then they move that topic into the sterile world of academia, and start preaching how it should be done.

Anyway, segment your list and, as Robert Collier wrote in *The Robert Collier Letter Book* (1931), "Enter the conversation that's already going on inside your reader's heads."

## Activity To Quit #2: Responding to RFPs

RFPs usually come from the commercial scum barrel of the market. Most RFP issuers are not even looking for anyone to hire. They're just scanning the horizon for suckers who can be fooled into doing some serious work for peanuts.

Or the other option is that they are seeking price offers which then they can use to blackmail their current IT providers to lower their fees and beef up their services.

And well, a few of them are really looking for IT providers... the cheapest ones. That's why they have the cattle call in the first place.

The RFP (**R**eal **F**ools **P**articipate) process is really a reverse auction where the prices go down.

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<sup>1</sup> Tacit knowledge, as opposed to explicit knowledge, as it was first introduced into philosophy by a fellow Hungarian, Michael Polanyi, is based on emotions, experiences, insights, intuition, observations and internalised information. It's difficult to transfer to another person by means of writing it down or verbalizing it. By contrast, explicit knowledge can be clearly articulated, written down, learnt and taught. When we look at geniuses, like Leonardo, Mozart or Picasso, you can observe Pareto's 80/20 at work. Some 80% of their knowledge is tacit, hence virtually impossible to imitate.

Most RFP issuers are the passengers who don't want to fly coach at coach prices. They want to fly first class for almost free.

So, since these clients offer low-quality opportunities at low price, your best people don't tolerate that kind of proverbial latrine duty, and quit your company.

Their professional pride and self-esteem don't allow them to do such low profile work for such bad clients.

Here are some problems with RFPs.

- RFP opportunities are usually of low quality “latrine duty” work.
- RFP buyers unanimously set the rules to wipe out sellers' margins.
- RFPs water down your differentiation in order to beat you up on price.
- RFPs eat up your margins by requesting you to invest lots of time and money before being hired... if you get hired at all.
- RFPs can communicate trouble to your people: “Is this shit all the work that we are capable of getting?”
- RFP work is the proverbial one-night stand. There is no potential for repeat- and referral business.
- RFP projects create master-slave (vendee-vendor) relationships in which vendors work under vendees' thumbs according to strict and often moronic rules.

Just as on the seller' side the vendor is the lowest level of seller, on the buyer's side the vendee is the lowest level of buyer. Just avoid them like the plague before they can drag you down to their miserable financial and moral levels.

### **Activity To Quit #3: Seeking Buyers With Signed Purchase Orders In Hand**

When you take a closer look at the market, you can see that only some 3% of the market is ready to buy right now. The other 97% will buy later on.

Also, consider that right now buyers hardly ever make the best clients. It's the reverse actually.

Buyers who buy right after the very first contact are pretty low-calibre clients.

Why?

Because they jumped into a relationship with your company without due courting.

You show up and they give you a purchase order. That's always a bad sign.

I believe good clients are like good wine. They take a bit of time until they become suitable for business.

But in contrast to wine that can be left alone for ageing, buyers and sellers start their relationships. They have all sorts of interaction before they decide to work together.

Let's ignore the 3% that is ready to buy and let's ignore 30% that is never going to buy from you no matter what.

You have 67% of your market to work with. But only a tiny percentage of this 67% is perfect client material. The rest is just the rest.

They both have money and are willing to invest it in high-quality products and services.

Also, they offer the highest chance for repeat and referral business.

But they require careful attention to escort from first contact to signed contract.

As the markets and buyers become more and more sophisticated, sellers and their approaches must change too.

First and foremost, sellers must become more patient for buyers getting into their spheres of attraction, and then they must become more interesting to keep attraction of buyers.

### **Activity To Quit #4: Unnecessarily Rushing The Sales Process**

Since so many IT companies don't have marketing, they live hand to mouth, so whenever they get enquiries, they want to close those sales as soon as humanly possible.

And what happens?

They scare off buyers who then hightail to the competition.

Look, the typical B2C sales cycle is 1 to 60 days. In 2005 SiriusDecisions reported<sup>2</sup> that the typical B2B sales cycle was 30 days to 2 years, and that in the last five years, between 2000 and 2005, B2B sales cycles stretched by 22%.

So, it's 2014, and don't be surprised by sales cycles that are 2.5-3 years long.

The key is not to rush the sales but to develop and build a pre-sales engine that...

- Systematically takes your promotional messages to your target market to generate sales leads.
- Sifts, sorts, screens and selects incoming enquiries from sales leads, checking them against your perfect client profile.
- Dispenses valuable educational materials that informs and educates buyers about their predicaments and your products/services and shape their buying criteria.
- Elevates the market's perception of your company from fungible vendor to sought-after authority and the perception of your salespeople from street peddlers and bazaar hucksters to recognised and respected experts.

...and doing most of this work on autopilot.

There is one definite task that is performed manually: Developing quality content.

Yes, I know that this content creation and lead nurturing stuff takes time and money, but look at

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<sup>2</sup> 2005 Sales and Marketing Benchmarking Study

the payoff side of the equation...

Forrester Research report that companies that excel at lead nurturing generate 50% more sales ready leads at 33% lower cost

CSO Insights reports that companies that excel at lead nurturing, 9% more sales reps make quota.

DemandGen Report indicates that nurtured leads produce on average a 20% increase in sales opportunities versus non-nurtured leads.

Oh, and in case you say you have a large sales force, so all this marketing and lead nurturing are irrelevant, read these babies. They are pretty eye-opening...

According to a study<sup>3</sup> of 414 companies by The Aberdeen Group in 2011 on how effective marketing is marketing in boosting sales:

Percentage of sales pipeline generated by marketing:

- 50% of top 20% of companies
- 11% of middle 50% of companies
- 2% of bottom 30% of companies

Percentage of closed marketing leads

- 48% of top 20% of companies
- 16% of middle 50% of companies
- 2% of bottom 30% of companies

Percentage of increase in annual revenue generated by marketing campaigns:

- 20% of top 20% of companies
- 7% of middle 50% of companies
- -3% of bottom 30% of companies – lost revenue

This scenario alone shows that marketing-generated and nurtured, that is, “farmed” sales leads are more reliable and profitable than sales-generated, that is, “hunted” sales leads.

So, when you write your next career ad for a salesperson, think before you put “aggressive hunter” in the list of requirements.

It seems to me that, one by one, aggressive hunters get hunted down by the market and put out of their misery. No one wants to deal with them.

## **Activity To Quit #5: Institutional Or Image Marketing**

And of course, you start education-based direct response marketing.

Now we know that most buyers are not ready to buy when you contact them. But if you don't stay in touch with them, then they fade away and forget about you.

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<sup>3</sup> Reprint from [Selling Power Magazine](#)

But how do you stay in touch with them? You can't bombard them with sales pitches because they run away.

The best option is to join the dialogue that's already going on inside their heads.

And that's what education does...

Buyers want to be educated their biggest questions:

- I don't know how to choose the right company in your industry.
- I don't know enough about the product or service that your industry sells.
- I don't know about your industrial practices.
- I don't know how I may get screwed over.
- I don't know what to ask salespeople.
- I'm afraid of being taken for a ride.

And what can you achieve with good education-based marketing?

- Eliminates price objections by using "apples to oranges" comparisons.
- Positions you as a recognised expert, while your competitors are regarded as desperate vendors.
- Puts you into a "category of one", and in doing so makes your competitors irrelevant.
- Establishes trust in- and respect for your company and its people before you try to sell anything.

I know education-based marketing is a lot harder to design and implement than image marketing, but if you look at the payoff, the effort may well be worthwhile.

So, look at the validity of your bait piece and if necessary change your offer from newsletter to something more specific.

## **Activity To Quit #6: The Long Scrolling Web Pages Filled With Hype And Bullshit**

Many IT companies make the mistake of hiring B2C copywriters to write their copies without realising that what works in B2C doesn't always work in B2B.

You can read about the differences between B2C and B2B in an article entitled [\*What's The Difference Between B2B And B2C Business Development?\*](#)

The B2C world is used to long scrolling pages because B2C shoppers scroll those pages in their spare times.

But B2B buyers are in their offices with 59 hours of urgent work on their desks<sup>4</sup>. They go to the website to buy because buy bow they've done their due diligence and are ready to buy.

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<sup>4</sup> According to the International Association of Professional Organisers, the typical executive has 59 hours of urgent work piled up on his desk, part of which is due very soon and a part of it is past due.

While b2C shoppers are willing to eat up pages and pages of hype and bullshit, B2B buyers would never tolerate that.

Just look at 24techniquesforclosingthesale.com, for instance.

**"These are 24 of the most ruthless tactics -- kept under wraps for years -- that can turn even your most hard-nosed prospects into cash-generating customers."**

I don't know about you, but to me it screams hard-core manipulation.

I certainly don't want to go ruthless on the very people with whom I'd like to do business. And I certainly don't want to work with hard-nosed clients who would give me headaches.

That approach may work in transactional selling, where sellers often don't meet buyers, but in your world of complex, high-ticket solutions, it wouldn't work.

This is exactly the kind of bullshit most B2B buyers wouldn't tolerate because they would feel insulted by being talked to as if they were some imbeciles.

The reasons why it works in B2C is because most buyers are not experts at what they buy.

But B2B buyers are either experts themselves or have some experts on the buying team.

And buyers with advanced degrees and years of experience don't want to be talked to in that imbecile tone.

You can read more about this in [Some Random Thoughts For Smart IT Business Owners In Search Of Quality B2B Copywriters](#). It may help you to find you next copywriter.

## **Activity To Quit #7: Ugly, Filthy, Bone-Jarring Cold-Calling Grunt Work**

Besides the fact that cold-calling generates some of the worst clients,

In his writings, New York Times bestseller author, Franks Rumbauskas<sup>5</sup> frequently mentions a study done several years ago by the Kenan-Flagler Business School at the University of North Carolina. It concluded that 80% of B2B decision makers in the United States absolutely, positively will not buy as the result of cold calling. And, I dare to say, the results are similar in other areas of the world too.

Then there was another study done by the Keller Research Center at Baylor University, in Vaco, Texas. This report is much more recent, and the numbers are far more astounding.

The study was based on a group of 50 experienced and qualified salespeople, who made a total of 6,264 telephone cold calls over a two week period.

And the results are so bad that the word "dismal" could be a gross overstatement.

Let's see...

- The study was based on a group of 50 experienced salespeople, who made a total of 6,264 phone-based cold calls over two weeks.

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<sup>5</sup> Author of [Never Cold Call Again and Selling SUCKS](#)

- 72% of the calls were outright rejections. People saying “no way,” hang-ups, and so on.
- 28% of the calls were labelled as “productive.” These were people who didn’t hang up right away, showed some interest, gave a referral, asked to be called at a later time and so on.
- The majority of the two week study period was spent working on and following up with this 28% of the list.
- That 28%, totalling 1,774 calls, resulted in 19 appointments. That’s a whopping 0.3% success rate.
- Then the 19 appointments resulted in four sales... out of 6,274 calls. That’s an earth-shattering 0.06% success rate.

And this is not all. But this alone is a good reason for many sales managers, who live on cold calls, to slit their own throats.

The other problem comes from the buyer’s side of the equation. When buyers receive cold calls, they justifiably think...

- Who the hell is this person?
- Why is this person cold-calling me?
- What does he try to sell me?
- Doesn't this company, calling itself market leader, have enough referrals after a so many years in business?
- What’s wrong with this company? Is it too broke to run a lead generation programme?
- What sort of useless crap does this company sell?
- What sort of horrible customer service does this company offer?
- What sort of minimum wage ex-cons, hookers, stoners, boozers and other helpless, hapless, hopeless and toothless losers and lowlifes does this company employ?
- Will this company be around when I need help with the product/service they sell me today?

I desperately hope that the above reasons can convince you to give up cold-calling.

## **Activity To Quit #8: Offering One-Sided Discounts**

Most new buyers do ask for discounts because it doesn’t take much to ask.

But just because they ask, it doesn’t mean they must get them too.

It’s up to you, and you should never offer one-sided discounts.

Framers know that they have to rotate land and crops, because different crops exploit the soil differently. They call it crop rotation. So, they divide their lands into four sections:

1. Legumes: Beans, peas and potatoes.

2. Roots: Onions, garlic, turnips, beets, carrots and radishes.
3. Leaves: Lettuce, greens, herbs, spinach and corn.
4. Fruits: Tomatoes, cucumbers, peppers, eggplant and melons

...and every year they change their plants in sections of land.

Your marketing can be the same. The four groups can be...

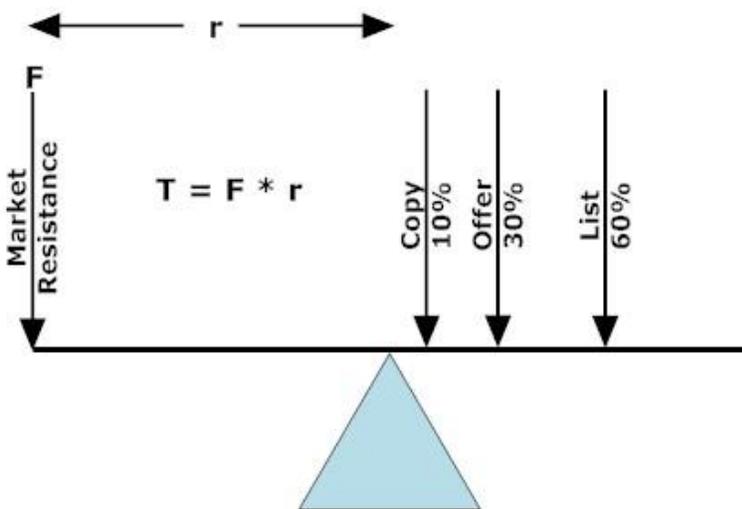
1. Something new to build your name and strengthen your market position.
2. Something of high-calibre, even luxury. Very few very high-end clients.
3. Something seasonal.
4. Something inexpensive and volume-based.

## Activity To Quit #9: Regarding Sales Copy As Some Useless Filler Between Fancy Clichés And Cute Images

And here is a sub-activity to quit: Paying more to your graphics person than your copywriter. Sometimes mid-2012 an IT consulting company wanted to hire me to write some copy. It was a sizeable company with 93 employees. But six of them were graphics artists. The youngest who had just graduated from his six-month continuing education graphics programme was earning \$43,000 per year. The three “senior” artists were earning over \$100,000.

And they offered \$15 per hour to the copywriter they hire.

When I questioned them about the discrepancy, the COO told me that the graphics guys were real professionals with certificates, but any idiot can string words together. It’s not a big deal. But relative to the weight of copy, the weight of graphics is negligible.



$T = F * r$ , where T is torque, F is force and r is displacement.

There are three forces.

While displacement (r, a.k.a. importance) for every component is given, the force (F, a.k.a. quality) is represented by the care and sophistication with which each component is put together.

The effectiveness of each component is represented by the torque (T) it can create on the seesaw.

**Market Resistance (MR):** This is the market inertia that has to be overcome in order to sell to that market. MR has maximum displacement (r), so it can easily generate maximum torque to

resist marketing.

**List Value (LV):** List value is the highest contributor (60%) to your overall marketing success. The force is determined by the quality of the list. In-house responsive lists are much better than compiled lists purchased from list brokers.

**Offer Value (OV):** Offer Value is the next highest contributor (30%). Its force is determined how the offer is matched to the market. If you have an amazing running shoe offer to paraplegics, then you're doomed. You also have to match timing and the form of media. Advertising online is good, but advertising in Yellow Pages can be a waste of money.

**Copy Value (CV):** Copy Value is about 10% of your overall success. Since it has short displacement, it requires high force (quality). If your list is not so great and your offer is a bit rushed, then you need kick-arse copy to market and sell successfully. But if your list and offer are under a certain standard, no copy can save you.

And what of graphics? How do graphics contribute to your overall success?

They don't. They make almost no difference at all.

Actually, in many cases, graphics divert readers' attention from the main message.

But we have to distinguish between graphics and graphics.

While random images are silly and useless, process visuals are very useful. But for that you don't need several graphics artists.

You need someone on Elance or oDesk to convert your pencil and paper scribble into an eye-pleasing visual for a few bucks.

For that you don't need several full-time graphics artists.

## **Activity To Quit #10: Offering Obsolete Free Offers**

We know that the lead generation process starts with offering some free information as a bait piece. Then self-selected people with interest in the offer enter their names and email addresses to acquire the promoted information.

Then sellers can initiate building a relationship with this person that hopefully ends up in a sale.

But is your bait piece still relevant?

Is it possible that in the age of cloud computing your bait piece is all about DOS 3.3?

Many IT companies make the mistake that they are so busy developing their paid offers that their free lead generation pieces take back seat, and slowly go obsolete.

Also. When you offer free information, offer a free report or something concrete and let your newsletter go for a free ride.

Many IT companies offer their newsletter and offer their white papers, audio or videos as bonus.

The newsletter should be the bonus.

People prefer to download something with beginnings and ends. That's what white papers,

executive briefings, audio and videos are for. They're specific piece of information with beginnings and ends.

By contrast, newsletters are like loose rope dispensed from a reel.

## Bonus Tip

### Activity To Quit #11: Regarding Marketing As A "I Do It When I Have Time" Function

If I say that lots of IT companies treat marketing as an "I do it when I have time for it" function, it would be a gross understatement.

It's understandable if we consider that many IT companies were started by IT professionals, and most IT pros, just as most engineers and other technical professionals, look down on marketing and selling as business functions.

Just look at how technical people treat marketing and sales folks in so many IT companies.

The irony is that many technical folks don't even realise that the only reason they get paid is because the marketing and sales folks have created the money for the paycheques.

And what is the result?

Well...

All in all, only 32.8% of SMBs do marketing. The rest relies on forceful selling. To compensate for the lack of marketing, they use hard selling to stay alive.

While marketing experts recommend that 5-10% of gross revenue is re-invested into marketing, on average SMBs reinvest only 4%.

Only 7% of SMBs employ have marketing departments. 3.99% employ one person and 0.98% employs two people. And only 7% of SMBs hire external marketing help.

And even when they employ marketing people in their companies, these marketing people are some of the lowest-paid employees of those companies.

Many SMB business owners complain that high taxes and other external factors kills them, but realistically they're killing themselves.

They've volunteered to become their own executioners when they could be the liberators.

So, how to turn the situation around?

In this section I would also mention that you have to stop treating marketing as a creative function and regard it as a scientific function, in which you have to measure certain results in order to decide whether to continue or retire a campaign.

When you neglect marketing and rely on hard selling, you need a large sales force. In that sales force, you always have someone who is quitting and taking some of the best clients with him.

It means your company doesn't have an organisational client acquisition system. It's all random. A well implemented marketing programme can be your organisational client acquisition system that no one can take from you.

The only way to have a fighting chance to own your clients is by having your own marketing system. Well, you still don't own them per se because they are free to go anywhere they want to, but you have a much better chance of keeping them.

And that alone must be a good enough cause for celebration.

## Summary

I reckon you're already busier than a one-legged man in an arse-kicking contest, so determining what activities to trim from your life can be pretty important.

In my experience, these 10 activities are both time- and resource-hungry, but they hardly ever produce up to expectations.

So, the best bet may be to dump them altogether, knowing that there are plenty of more effective methods to acquire high-quality new business.

And let me know if you need some help to pull it off.

**In the meantime, don't sell harder. Market smarter and your business will be better off for it.**

[With victory on high...](#)



Tom "Bald Dog" Varjan

## Additional Knowledge Products to Build Your IT Business

Here are some knowledge products on business development for building your premium-calibre IT business. It's especially for privately held "entrepreneurial" IT companies and solo IT professionals.

These products are sort of workbooks. They explain what is what, then walk you through the "how to..." part of the process. As you read the books, you do the exercises, and by the time you finish reading, all the relevant bits and bobs are in front of you on paper applied to your own unique situation. For this reason, the materials are not long but rather dense.

I hope you find them valuable.

- [Winning Yellow Pages Advertising For Information Technology Companies](#)
- [Perfect IT Client Profile Development Toolkit](#)